

**State of Rhode Island and Providence Plantations**

**BOARD OF ACCOUNTANCY**

**1511 Pontiac Avenue, Bldg. 68-2**

**Cranston, Rhode Island 02920**

**MEETING MINUTES**

**DATE: February 16, 2016**

**PLACE: Department of Business Regulation (DBR)**

**1511 Pontiac Avenue, Bldg 68-1 Conference Room**

**Cranston, RI 02920**

**MEMBERS PRESENT: Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain, (Present from: 11:05 a.m. – 12:56 p.m.), Treasurer George Tashjian and Member Alisa Loiselle, (Present from: 11:13 a.m. – 1:21 p.m.)**

**MEMBERS ABSENT: None**

**OTHERS PRESENT: Dawne Broadfield, Administrative Support Specialist**

**(1) Call to Order – Chair Bernard called the meeting to order at 11:05 a.m.**

**(2) Meeting Minutes (Review/Discuss/Take Action)**

**1. Acceptance of the January 19, 2016 Open Session Meeting Minutes  
Vice-Chair Platt moved to approve the open meeting minutes of**

**January 19, 2016 as published. Treasurer Tashjian seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain, Treasurer George Tashjian and Member Alisa Loiselle.**

## **2. Acceptance of the January 19, 2016 Executive Session Meeting Minutes**

**Vice-Chair Platt moved to approve the executive meeting minutes of January 19, 2016 as published. Treasurer Tashjian seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain, Treasurer George Tashjian and Member Alisa Loiselle.**

**(3) National Association of State Boards of Accountancy (NASBA) matters – (Review/Discuss/Take Action) - Information was sent from NASBA and forwarded to all Board members prior to the meeting to include the following:**

**a. NASBA Mutual Recognition Agreements (MRA) – Board considered NASBA's listing of jurisdictions of states that accept foreign candidates under MRAs. Some state have comments with regard to their listing. Attorney Algee will draft language regarding the Rhode Island continuing education requirements should the Board decide to be listed on the NASBA chart.**

**b. NASBA – January 2016 Regional Directors' Focus Questions Survey – Vice-Chair Platt will complete and send.**

**c. NASBA and AICPA to Re-issue Exposure Draft on Proposed Revisions to Continuing Professional Education (CPE) Provider**

**Standards – Informational only.**

**d. NASBA – Treatment of Department of Labor (“DOL”) referrals – The Board will follow NASBA’s prescribed treatment for DOL referrals as outlined in their February 2016 Enforcement newsletter. Chair Bernard will discuss with the Region on the February 22, 2016 Conference Call.**

**e. NASBA 2016 Meetings – Eastern Regional Meeting – June 7 – 9, 2016 in Asheville, NC – (Vice-Chair Platt will attend.) and the 109th Annual Meeting – October 30, November 2, 2016 in Austin, TX – (Chair Bernard will attend.) – Scholarship requests will be submitted to NASBA due to lack of funds.**

**f. NASBA Northeast Region Conference Call – February 22, 2016 – 1:30 p.m. – 3:00 p.m. – Chair Bernard will attend and discuss the MRAs; internships for resources; continuing professional education (CPE) audit process and DOL referrals.**

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**(4) American Institute of Certified Public Accountants (AICPA) and Rhode Island Society of Certified Public Accountants (RISCPA) matters – (Review/Discuss/Take Action)**

**a. Comments from Robert Mancini, Executive Director, (RISCPA) – (1) Status of Internship Opportunity with Roger Williams University (RWU). The finalization of a Job Description was sent to RWU to**

review to ensure that it will meet the academic expectations set by the Accounting Department. The internship opportunity that the Board submitted was approved by the faculty and posted to RWU's job/internship posting system for student application. The Board received two (2) requests/resumes. Attorney Algee will meet with the DBR Director and Executive Counsel to discuss the next steps. Chair Bernard met with the DBR Director, Executive Counsel and Associate Director. It was discussed that the Board oversee the intern and that the intern be off-site. This matter is continued. Mr. Mancini was not present.

**(5) Public Company Accounting Oversight Board (PCAOB) – (Review/Discuss/Take Action)**

**a. BDO USA, LLP – Informational only.**

**(6) Consideration of approval of the following initial application(s) for certification – (Review/Discuss/Take Action)**

**Peter J. Edwards   Chad Michael Romblad**

**Otto Neubauer   Andrea L. Sciamacco**

**Jeffrey W. Pallotta   Omar A. Tazi**

**Member Loiselle moved to accept the initial applications for Peter J. Edwards, Otto Neubauer, Chad Michael Romblad and Andrea L. Sciamacco for certification. Secretary Fountain seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin**

**Fountain, Treasurer George Tashjian and Member Alisa Loiselle.**

**Vice-Chair Platt moved to deny the initial application for Jeffrey W. Pallotta for certification as the applicant does not comply with the one hundred and fifty (150) hour education requirement for licensure. Secretary Fountain seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain, Treasurer George Tashjian and Member Alisa Loiselle.**

**Vice-Chair Platt moved to provisionally accept the initial application for Omar A. Tazi for certification subject to receiving an official transcript or a copy of the diploma. Treasurer Tashjian seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain, Treasurer George Tashjian and Member Alisa Loiselle.**

**(7) Consideration of approval of the following reinstatement application(s) for certification – (Review/Discuss/Take Action)**

**Robin M. Beaupre (1910)**

**Treasurer Tashjian moved to accept the reinstatement application for Robin M. Beaupre (1910) for certification. Member Loiselle seconded. Motion passed, 5-0, five (5) in favor, zero (0) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain, Treasurer George Tashjian and Member Alisa Loiselle.**

**(8) Old Business: (Review/Discuss/Take Action)**

**a. Development of Board's Newsletter - Member Tracy is continuing to work with Tom Kenny, NASBA Communications, about what content will be placed in the Board's section of the RISCPA newsletter in an effort to get information out. Mr. Tracy's next communication call with NASBA is on September 17, 2015. Mr. Tracy is no longer a member of this Board. With that being said, the Board tabled this matter to reach out to Kevin Tracy to ask if he would be willing to Chair a "Communications Committee" that the Board would establish. Chair Bernard reached out to Mr. Tracy with no response. The Board discussed having meetings at other locations. Vice-Chair Platt will make contact and discuss with NASBA Communication Committee members in June. This matter is tabled.**

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**b. Renewal Applications – Attestations – The Board will begin a "Pilot" Continuing Professional Education (CPE) and Peer Review Audit process and will audit 3% plus those CPAs and Practice Units that were not in compliance in the past renewal period and requested an extension for completion. Prior to implementation, an audit process will be developed for Board approval prior to conducting the audit. Secretary Fountain will work with Mrs. Broadfield to develop**

**the Auditing Reporting forms. The Board will review the Rhode Island General Laws and Rules and Regulations to determine what recourse there is if a licensee fails the audit. This matter is on hold.**

**c. Public Accountants (PA) – Eliminating the status - Treasurer Tashjian discussed the history of the PA status. 1976 was the last time that there was a PA status issued by this Board. Treasurer Tashjian suggested that the remaining 12 PAs be grandfathered and issued a Certified Public Accountant (CPA) status. The Massachusetts statute was obtained which is the “Conversion of Public Accountant License to Certified Public Accountant License.” Discussion occurred and a question arose as to how it would affect reciprocity in other states. Information was sent to Attorney Algee for review. The Board agreed to move forward the legislation to convert the PAs to the CPAs. Attorney Algee drafted the legislation and the DBR submitted in it their legislative package to the Governor’s Office. Secretary Fountain found an error in the “Talking Points” that will be corrected. Attorney Algee indicated that the legislation is still pending at the Governor’s office and has not been introduced. This is continued.**

## **(9) New Business: (Review/Discuss/Take Action)**

### **a. Rules and Regulations –**

**(1) Regulation 6: Peer Review Standards – Section 3. Peer Review Oversight Committee – Peer Review Oversight Committee currently consist of three (3) members, none of whom shall be current members of the Board. The Board requested that Attorney Algee**

**draft language that the Peer Review Oversight Committee be current members of the Board.**

**(2) Regulation 5: Continuing Professional Education – Section 1.B.1 – The Board requested that Attorney Algee amend the Regulation to remove the second sentence - “The three (3) year CPE term for new licensees shall commence on January 1 of the year following the year in which the licensee received his or her certificate.”**

**(3) Regulation 5: Continuing Professional Education – Section 1.B.11 – The Board will be reviewing this section for refining.**

**b. Hearing Procedures – The Board discussed that should a disciplinary action go to a contested case, Attorney Algee would act as the prosecuting attorney and an attorney from the Department of Administration (DOA) would be willing to act as legal advisor to the Board as decision-maker in the context of the hearing providing assistance with evidentiary and procedural issues as well as, after the Board made its decision, helping the Board draft a written decision.**

**c. David Storti – Question regarding the continuing professional education (CPE) requirement for non-residents and what exactly an “interactive self-study program” is. The Board will respond to the first question that it was determined that he has to comply with the Rhode Island CPE requirements and that the Board is working to refine the Regulations. The Board will respond to the second question by giving him the definition of an “interactive technology-based self-study program” defined as a program designed to use interactive learning methodologies that simulate a classroom learning process by employing software, other**



courseware, or online systems that provide significant ongoing, interactive feedback to the participant regarding his or her learning progress and also referred him to the AICPA –NASBA Final CPE Standard #8.

d. NASBA – Questions regarding the continuing professional education (CPE) requirement for non-residents. The Board will respond that it is in the process of refining this section of the Regulations and will keep NASBA updated.

e. Ralph M. Grieco (7006MA) – Requesting confirmation that he does not need to be an active CPA in RI since he is registered in Massachusetts. He is a partner in a Massachusetts firm as well as a RI firm. The Board will respond that based on the ownership interest in a Rhode Island firm, he is required to hold a Rhode Island license.

f. Legislation – The Board received the Budget appropriations from NASBA, Legislative and Governmental Affairs, reviewed and noted.

#### **(10) Next Meeting Date: (Review Discuss/Take Action)**

a. The next Board meeting is scheduled for Tuesday, March 15, 2016 at 1:00 p.m.

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#### **(11) Executive Session**

Vice-Chair Platt moved to convene into Executive Session at 1:00 p.m. pursuant to RI General Laws §42-46-5(a)(4) for investigative

proceedings regarding allegations of civil or criminal misconduct. Treasurer Tashjian seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Treasurer George Tashjian and Member Alisa Loiselle. Secretary Kevin Fountain was absent from this vote.

Vice-Chair Platt moved to adjourn from Executive Session and to reconvene to an open meeting at 1:20 p.m. pursuant to RI General Laws §42-46-4. Treasurer Tashjian seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Treasurer George Tashjian and Member Alisa Loiselle. Secretary Kevin Fountain was absent from this vote.

Vice-Chair Platt moved to record and seal the minutes of the executive session in accordance with RI General Laws §42-46-4 and §42-46-5. Member Loiselle seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Treasurer George Tashjian and Member Alisa Loiselle. Secretary Kevin Fountain was absent from this vote.

Vice-Chair Platt moved to record the votes in Executive Session in accordance with RI General Laws §42-46-4 as follows. Treasurer Tashjian seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Treasurer George Tashjian and Member Alisa Loiselle.

**Secretary Kevin Fountain was absent from this vote.**

**Record of Votes taken in Executive Session:**

**PENDING MATTERS**

- **One (1) matter pertaining to a concluded review of an independent qualified public accountant's (IQPA) audit report and financial statements for a company that disclosed deficiencies. Secretary Fountain moved to act upon the November 10, 2015 letter received from the U.S. Department of Labor ("DOL") to schedule a disciplinary hearing for the CPA to appear before the Board to address the issues at the February 16, 2016 meeting. Vice-Chair Platt seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was not at the meeting. Based on Attorney Algee's recommendation, the Board will follow the procedure for Notice and Response outlined in Regulation 7. A copy of the complaint will be sent to the licensee by certified mail for a response within twenty (20) days before the Board can proceed to a disciplinary hearing. As outlined in NASBA's February 2016 Enforcement Newsletter, the Board will utilize the new Consent process to expedite the Board's enforcement process and to save limited Board resources from being used on duplicate tasks already performed by the DOL during its investigation. The Board will send the licensee the DOL Consent Form for the licensee's signature.**

- One (1) matter of a person advertising on the internet as a CPA. The Board's records indicate no record found. Advertising on the internet on the PTIN directory as a CPA. The Board's records indicate no record found. The Board will send the Rhode Island licensed CPA the same internet inquiry letter as sent to others that it has come to the Board's attention that a person, who does not hold a current CPA license is advertising on the internet under the licensed CPA's advertisement. The Board is requesting that the listing of the person who is not a licensed CPA be removed from the advertisement and that the Rhode Island licensed CPA provide documentation that the requested action occurred. Based on the licensee's response, the Board closed this matter. A letter will be sent to licensee indicating the closure of this matter and thanking the licensee for the licensee's efforts.

- One (1) matter of lawsuit against an ex-accounting firm on accusations of corruption and mismanagement – Complaint 2015-12 - Secretary Fountain moved to have the Board's Legal Counsel review the pleadings of the case, reply back to the Board and continue. Vice-Chair Platt seconded. Motion passed, 4-0, four (4) in favor, one (1) absent. Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Secretary Kevin Fountain and Member Alisa Loiselle. Treasurer George Tashjian was not at the meeting. This matter was continued.

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### **NEW BUSINESS:**

- One (1) matter alleging that the complainant asked the Certified Public Accountant (CPA) to do accounting for a guardianship state accounting due to Probate Court. Complaint alleges that the complainant asked the licensee to do accounting for a guardianship state accounting due to Probate Court. A \$40,000 error was noted on the accounting. The licensee would sign necessary paperwork and exclude necessary forms. The work was rejected by the Probate Court which caused significant delay in filing and reporting of the interim accounting. The complainant's amended complaint was sent to the licensee for a response. When the file is complete, the Board will assign an investigator to investigate. This matter is continued.
- One (1) matter pertaining to a concluded review of an independent qualified public accountant's (IQPA) report and financial statements for a company that disclosed deficiencies. The U.S. Department of Labor ("DOL"), Office of the Chief Accountant, recently concluded a review of the IQPA report and financial statements for a company that disclosed deficiencies. A copy of the complaint will be sent to the licensee, by certified mail, for a twenty (20) day response, along with the DOL Consent Form.

### **(12) Adjournment**

Chair Bernard moved to adjourn at 1:21 p.m. Vice-Chair Platt seconded. Motion passed, 4-0, four (4) in favor, one (1) absent.

**Voting in favor were Chair Mary F. Bernard, Vice-Chair David Platt, Treasurer George Tashjian and Member Alisa Loiselle. Secretary Kevin Fountain was absent from this vote.**

**Respectfully submitted,**

**Kevin M. Fountain, CPA**

**Secretary**

**KMF/dmb**

- **Posted on March 16, 2016 electronically on Secretary of State's Office website. Pursuant to the Open Meetings Law, R.I. Gen. Laws Sec. 42-46-6(b), business not included in this notice may be considered with the consent of the majority of the members, and/or may convene into Executive (closed) Session pursuant to R.I. Gen. Laws Sec. 42-46-5.**

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